

Service Date: June 14, 1983

BEFORE THE MONTANA PUBLIC SERVICE COMMISSION  
OF THE STATE OF MONTANA

IN THE MATTER of the Deregulation)  
of Embedded Customer Premise )  
Equipment and the Deregulation of)  
CPE Installation and Maintenance )  
for HOT SPRINGS TELEPHONE COMPANY)  
INTERMOUNTAIN TELEPHONE AND POWER)  
COMPANY, LINCOLN TELEPHONE COM- )  
PANY PROJECT TELEPHONE COMPANY, )  
INC., RONAN TELEPHONE COMPANY, )  
AND SOUTHERN MONTANA TELEPHONE )  
COMPANY. )

UTILITY DIVISION

✓ DOCKET NO. 83.3.17

ORDER NO. 4992

✓ 83-24

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FINDINGS OF FACT

1. The Commission issued Order No. 4951b and Order No. 4951c in Docket No. 82.6.37, on December 30, 1982, and January 27, 1983, respectively. These two orders set forth the Commission's Findings and Order with respect to the provision of customer premise equipment (CPE) and inside wiring, and the maintenance thereof, for Mountain States Telephone and Telegraph Company, Northwestern Telephone Systems, Inc., and General Telephone of the Northwest, Inc.

2. The Commission initiated Docket No. 83.3.17 to address these same issues for the following companies: Hot Springs Telephone Company (Hot Springs); Intermountain Telephone and Power Company (Intermountain); Lincoln Telephone Company (Lincoln); Project Telephone Company (Project); Ronan Telephone Company (Ronan); and Southern Montana Telephone Company (SMT).

3. On April 13, 1983, an Order to Show Cause was issued in this Docket. This Order outlined the history of these issues, the Commission's Findings in Docket No. 82.6.37, Order Nos. 4951b and 4951c, and the Commission's intent related to provision and maintenance of CPE and inside wire for the companies addressed in this Docket.

4. In the Order to Show Cause the Commission noted that the Federal Communications Commission's (FCC) Computer II Order deregulated new CPE. The Commission contemplated directing companies to establish a fully separate accounting system to separate regulated and deregulated activities. The Commission also contemplated deregulating embedded CPE.

5. The Commission also discussed installation and maintenance of CPE. Installation includes the provision of inside wiring. Computer II requires that installation and maintenance of new CPE be provided on a detariffed basis. The Commission contemplated also detariffing installation and maintenance of embedded CPE.

6. The Companies were notified that should they wish to contest any or all of the action contemplated in the Order to Show Cause, they had an opportunity for a public hearing to consider the same. Requests for hearing were due within 30 days of the issuance of the Order. No such requests were received. Therefore, the Commission finds that implementation of the actions contemplated in the Order to Show Cause is appropriate at this time.

7. Deregulation of certain areas in the telecommunications field is based on the assumption that those areas are competitive. To have effective competition in the area of inside wiring some mechanism is needed to allow interconnection of customer-provided wiring to the utility protector box. In Docket 82.6.37, Order No. 4951b the Commission found an interface-jack to be the best solution to this problem. The Commission directs the companies addressed in this docket to acquire the interface-jack capability as rapidly as possible.

#### CONCLUSIONS OF LAW

1. Hot Springs Telephone Company, Intermountain Telephone and Power Company, Lincoln Telephone Company, Project Telephone Company, Inc., Ronan Telephone Company, and Southern Montana Telephone Company are entities providing telecommunication services in the state of Montana, and as such, are public utilities within the meaning of §69-3-101, MCA.

2. The Montana Public Service Commission properly exercises its jurisdiction over these companies' Montana operations pursuant to Title 69, Chapter 3, MCA.

3. The Commission has the authority to inquire into the management of the business of utilities and is required to keep itself informed as to the manner and method in which the same is conducted, MCA §69-3-106(1).

ORDER

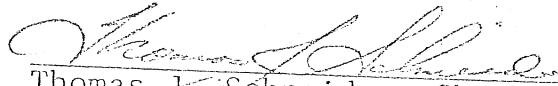
1. The companies addressed in this Order are directed to file proposed tariffs to achieve the following within 60 days of the issuance of this Order:

- a. Unbundle CPE lease charges from basic access rates (SMT and Lincon are exempt);
- b. Cancel all CPE, CPE installation, and CPE and inside wire maintenance tariffs;
- c. Create rules and charges to alter customer provided CPE for party-line access (companies with no party-lines are exempt);

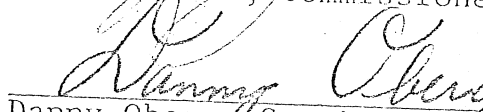
2. The companies are also directed to file a chart of accounts and a narrative of accounting procedures and procedures for allocating costs for deregulated CPE, CPE installation and CPE/inside wiring maintenance activities.

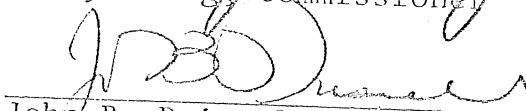
DONE AND DATED this 13th day of June, 1983, by a 5 to 0 vote.


BY THE MONTANA PUBLIC SERVICE COMMISSION.

  
Thomas J. Schneider, Chairman

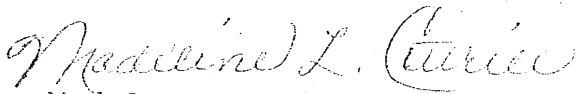
  
Clyde Jarvis, Commissioner

  
Danny Oberg, Commissioner

  
John B. Driscoll, Commissioner

  
Howard L. Ellis, Commissioner

ATTEST:

  
Madeline L. Cottrill  
Commission Secretary

(SEAL)

NOTE: Any interested party may request the Commission to reconsider this decision. A motion to reconsider must be filed within ten (10) days. See 38.2.4806, ARM.